

AMENDED IN ASSEMBLY APRIL 2, 2001

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1223**

**Introduced by Assembly Member Rod Pacheco**

February 23, 2001

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An act to ~~amend Section 96.19 of~~ *repeal Sections 13301, 13302, 13303, and 13304 of, and to repeal Chapter 2 (commencing with Section 13401) of, Chapter 3 (commencing with Section 13501) of, Chapter 4 (commencing with Section 13516) of, Chapter 5 (commencing with Section 13530) of, Chapter 6 (commencing with Section 13560) of, Chapter 7 (commencing with Section 13601) of, Chapter 8 (commencing with Section 14000) of, Chapter 9 (commencing with Section 14101) of, and Chapter 10 (commencing with Section 14301) of, Part 8 of Division 2 of the Revenue and Taxation Code, relating to taxation, and calling a special election to be consolidated with the primary election of March 5, 2002, to take effect immediately, tax levy.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1223, as amended, Rod Pacheco. ~~Property tax revenue apportionments~~ *Estate taxes.*

*Existing California laws, including certain statutes added by initiative measure, impose an estate tax equal to the portion, if any, of the maximum allowable amount of credit for state death taxes allowable under federal estate tax laws.*

*This bill would repeal those California estate tax laws, and would provide for a special election with regard to those provisions added by initiative measure.*

*This bill would take effect immediately as a tax levy and an act calling an election.*

~~Existing property tax law requires the county auditor, in each fiscal year, to allocate property tax revenue to local jurisdictions in accordance with specified formulas and procedures, and generally requires that each jurisdiction be allocated an amount equal to the total of the amount of revenue allocated to that jurisdiction in the prior fiscal year, subject to certain modifications, and that jurisdiction's portion of the annual tax increment, as defined. Existing law provides for computations, on the basis of these allocations, of apportionment factors that are applied to actual property tax revenues in each county in order to determine actual amounts of property tax revenue received by each recipient jurisdiction. Existing law provides that the property tax allocation factors applied in allocating property tax revenues in the County of Riverside through the 1999–2000 fiscal year are correct.~~

~~This bill would make technical, nonsubstantive changes to these provisions.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1     ~~SECTION 1. Section 96.19 of the Revenue and Taxation~~
- 2     ~~SECTION 1. Section 13301 of the Revenue and Taxation~~
- 3     ~~Code, as added by Proposition 5 of 1982, is repealed.~~
- 4     ~~13301. Neither an inheritance tax nor a gift tax shall be~~
- 5     ~~imposed on any transfer made and completed on or after January~~
- 6     ~~1, 1981. However, a tax shall be imposed on the estate of decedents~~
- 7     ~~dying on and after January 1, 1981, at the same rate as the schedule~~
- 8     ~~of credits for state death taxes under subdivision (b) of Section~~
- 9     ~~2011 of the Internal Revenue Code of 1954.~~
- 10    ~~SEC. 2. Section 13301 of the Revenue and Taxation Code, as~~
- 11    ~~added by Proposition 6 of 1982, is repealed.~~
- 12    ~~13301. Neither the state nor any political subdivision of the~~
- 13    ~~state shall impose any gift, inheritance, succession, legacy,~~
- 14    ~~income, or estate tax, or any other tax, on gifts or on the estate or~~
- 15    ~~inheritance of any person or on or by reason of any transfer~~
- 16    ~~occurring by reason of a death.~~
- 17    ~~SEC. 3. Section 13302 of the Revenue and Taxation Code, as~~
- 18    ~~added by Proposition 5 of 1982, is repealed.~~

1 ~~13302. The Legislature shall provide for the collection and~~  
2 ~~administration of the tax imposed by Section 13301.~~

3 *SEC. 4. Section 13302 of the Revenue and Taxation Code, as*  
4 *added by Proposition 6 of 1982, is repealed.*

5 ~~13302. Notwithstanding the provisions of Section 13301,~~  
6 ~~whenever a federal estate tax is payable to the United States, there~~  
7 ~~is hereby imposed a California estate tax equal to the portion, if~~  
8 ~~any, of the maximum allowable amount of the Credit for State~~  
9 ~~Death Taxes, allowable under the applicable federal estate tax law,~~  
10 ~~which is attributable to property located in the State of California.~~  
11 ~~However, in no event shall the estate tax hereby imposed result in~~  
12 ~~a total death tax liability to the State of California and the United~~  
13 ~~States in excess of the death tax liability to the United States which~~  
14 ~~would result if this section were not in effect.~~

15 *SEC. 5. Section 13303 of the Revenue and Taxation Code, as*  
16 *added by Chapter 1535 of the Statutes of 1982, is repealed.*

17 ~~13303. In a case where a decedent leaves property having a~~  
18 ~~situs in this state, and leaves other property having a situs in~~  
19 ~~another state, or other states, the portion of the maximum state~~  
20 ~~death tax credit allowable against the federal estate tax on the total~~  
21 ~~estate by the federal estate tax law which is attributable to the~~  
22 ~~property having a situs in California shall be determined in the~~  
23 ~~following manner:~~

24 ~~(a) For the purpose of apportioning the maximum state death~~  
25 ~~tax credit, the gross value of the property shall be that value finally~~  
26 ~~determined for federal estate tax purposes.~~

27 ~~(b) The maximum state death tax credit allowable shall be~~  
28 ~~multiplied by the percentage which the gross value of property~~  
29 ~~having a situs in California bears to the gross value of the entire~~  
30 ~~estate subject to federal estate tax.~~

31 ~~(c) The product determined pursuant to subdivision (b) shall be~~  
32 ~~the portion of the maximum state death tax credit allowable which~~  
33 ~~is attributable to property having a situs in California.~~

34 *SEC. 6. Section 13304 of the Revenue and Taxation Code is*  
35 *repealed.*

36 ~~13304. In a case where the gross estate of a decedent includes~~  
37 ~~property having a situs in this state, and includes other property~~  
38 ~~having a situs in another state, or other states, the portion of the~~  
39 ~~maximum state death tax credit allowable against the federal estate~~  
40 ~~tax on the total estate by the federal estate tax law that is~~

~~attributable to the property having a situs in California shall be determined in the following manner:~~

~~(a) For the purpose of apportioning the maximum state death tax credit, the gross value of the property shall be that value finally determined for federal estate tax purposes.~~

~~(b) The maximum state death tax credit allowable shall be multiplied by the percentage which the gross value of property having a situs in California bears to the gross value of the entire estate subject to federal estate tax.~~

~~(c) The product determined pursuant to subdivision (b) shall be the portion of the maximum state death tax credit allowable that is attributable to property having a situs in California.~~

*SEC. 7. Chapter 2 (commencing with Section 13401) of Part 8 of Division 2 of the Revenue and Taxation Code is repealed.*

*SEC. 8. Chapter 3 (commencing with Section 13501) of Part 8 of Division 2 of the Revenue and Taxation Code is repealed.*

*SEC. 9. Chapter 4 (commencing with Section 13516) of Part 8 of Division 2 of the Revenue and Taxation Code is repealed.*

*SEC. 10. Chapter 5 (commencing with Section 13530) of Part 8 of Division 2 of the Revenue and Taxation Code is repealed.*

*SEC. 11. Chapter 6 (commencing with Section 13560) of Part 8 of Division 2 of the Revenue and Taxation Code is repealed.*

*SEC. 12. Chapter 7 (commencing with Section 13601) of Part 8 of Division 2 of the Revenue and Taxation Code is repealed.*

*SEC. 13. Chapter 8 (commencing with Section 14000) of Part 8 of Division 2 of the Revenue and Taxation Code is repealed.*

*SEC. 14. Chapter 9 (commencing with Section 14101) of Part 8 of Division 2 of the Revenue and Taxation Code is repealed.*

*SEC. 15. Chapter 10 (commencing with Section 14301) of Part 8 of Division 2 of the Revenue and Taxation Code is repealed.*

*SEC. 16. Sections 1, 2, 3, and 4 of this act shall not become operative unless approved by the statewide electorate. Sections 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, and 15 of this act shall not become operative unless Sections 1, 2, 3, and 4 of this act are approved by the statewide electorate.*

*SEC. 17. A special election is hereby called to be held throughout the state on March 5, 2002. The election shall be consolidated with the statewide primary election to be held on that date. The consolidated election shall be held and conducted in all*

1 *respects as if there were only one election and only one form of*  
2 *ballot shall be used.*

3 *SEC. 18. This act calls an election, and provides for a tax levy,*  
4 *within the meaning of Article IV of the Constitution and shall go*  
5 *into immediate effect.*

6 ~~Code is amended to read:~~

7 ~~96.19. Notwithstanding any other provision of law to the~~  
8 ~~contrary, the property tax apportionment factors applied in~~  
9 ~~allocating property tax revenues in the County of Riverside for~~  
10 ~~each fiscal year to the 1999–2000 fiscal year, inclusive, are~~  
11 ~~deemed to be correct. However, for the 2000–01 fiscal year and~~  
12 ~~each fiscal year thereafter, property tax apportionment factors~~  
13 ~~applied in allocating property tax revenues in the County of~~  
14 ~~Riverside shall be determined on the basis of property tax~~  
15 ~~apportionment factors for prior fiscal years that have been fully~~  
16 ~~corrected and adjusted, pursuant to the review and~~  
17 ~~recommendation of the Controller, as would be required in the~~  
18 ~~absence of the preceding sentence.~~

